LOS ALTOS REDEVELOPMENT PROJECT AREA FIVE-YEAR IMPLEMENTATION PLAN

October 1, 2004 - September 30, 2009

CITY OF LONG BEACH REDEVELOPMENT AGENCY



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The mission of the Redevelopment Agency of the City of Long Beach is to improve the blighted areas of Long Beach, revitalize neighborhoods, promote economic development and the creation of jobs, provide affordable housing and encourage citizen participation.

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Los Altos Redevelopment Project Five-Year Implementation Plan October 1, 2004 – September 30, 2009

INTRODUCTION

Health and Safety Code Section 33490 requires redevelopment agencies to adopt implementation plans for each project area every five years. On November 14, 1994, the Redevelopment Agency of the City of Long Beach adopted an implementation plan for the Los Altos Redevelopment Project for the period 1995 to 1999. The project area's second implementation plan was adopted on October 25, 1999, for the period 2000 – 2004.

Between the second and third year after adoption, the redevelopment agency must hold a public hearing on the current implementation plan. A redevelopment agency may make amendments to the plan at this time or at other times if required. The Redevelopment Agency held public hearings to review the first and second implementation plans for the Los Altos Redevelopment Project on July 28, 1997, and January 27, 2002, respectively.

This document is the Los Altos Redevelopment Project's Implementation Plan, for the period 2005 - 2009. Upon adoption by the Redevelopment Agency, it will replace the prior Implementation Plan for 2000 - 2004.

An implementation plan must describe the redevelopment agency's specific goals and objectives for the project area during the five-year period of the plan. It must also include the specific programs, including potential projects, and estimated expenditures that an agency proposes to make during the five-year period. The plan must contain an explanation of how the programs will eliminate blight within the project area and implement the agency's low and moderate-income housing obligations. An implementation plan is a policy and program document; it does not identify specific project locations. If the implementation plan includes a project that will result in the elimination of low or moderate-income housing, the implementation plan must identify proposed locations suitable for the replacement dwelling units.

BACKGROUND

General Background

The Redevelopment Agency of the City of Long Beach adopted the Los Altos Redevelopment Project Area on December 10, 1991. The Project Area is 45 acres in size and contains 38 parcels. All of the land in the project area is completely developed and privately owned except for the public right-of-way. A map showing the Project Area boundaries is Attachment 1 to this document. The project area includes two large shopping centers and several smaller centers and commercial buildings. One of the two large shopping centers is located north of Stearns Street and the other is south of Stearns Street. No residential uses are included within the Project Area. At the time of project area adoption, the shopping center located south of Stearns Street was a collection of commercial buildings developed over a 40-year period beginning in 1956. These structures exhibited signs of obsolescence, poor maintenance and an inability to maintain economic viability in the retail marketplace. The purpose of the redevelopment effort was to provide public assistance to aid in the rehabilitation and expansion of retail services in order to stimulate and retain private investment in the area.

Project Financing

The Agency has identified various methods for financing redevelopment activity within the Project Area in addition to using tax increment revenues. These other methods include: (1) tax allocation bonds; (2) loans, grants and contributions from local entities, state or federal government programs; (3) advances from developers; (4) public/private partnerships; (5) proceeds from the sale or lease of Agency-owned property; (6) leveraging of tax increment revenues; and (6) financing proceeds based upon revenues from special assessment or special tax districts.

The Agency will continue to consider other financing sources such as those discussed above to finance redevelopment activities. However, the Agency will rely upon tax increment revenues as the primary means of resolving the Project Area's various problems.

PROJECT AREA BLIGHTING CONDITIONS

At the time of adoption of the Redevelopment Plan, blighting conditions were found in the Los Altos Project Area. The blighting conditions, listed below, were most apparent in the portion of the project area south of Stearns Street:

- 1. Physical deterioration and deficiencies in the *infrastructure* system.
- 2. **Deteriorated building stock**, 77% of buildings were found to be in need of rehabilitation.
- 3. Poor site conditions, including significant trash, debris and graffiti.
- 4. **Property ownership too diverse for modern, integrated development.** The 38 parcels in the project area represented 23 different owners, making land assemblage difficult. In addition, the parking lot surrounding the shopping center was encumbered by multiple interests, preventing effective management and maintenance.
- 5. The area included many *small, irregular lots and buildings with faulty spacing.* Two of the area's anchors, Broadway and Target, were separated by over 800 feet, making for a difficult walk for shoppers.
- 6. **Obsolete and aged building types** were predominate in the area. Exterior design and layout were dated. Many retail outlets were oriented towards interior walkways and adjacent parking areas rather than the street, resulting in poor visibility, limited access and poor customer draw.
- 7. The *character of the uses*, which included a mix of retail and professional services, was not compatible with modern shopping preferences. The vacancy rate was nearly 30% at the time the plan was adopted.
- 8. *Retail sales* for the site were significantly below the regional average.

REDUCTION OF BLIGHT THROUGH PAST ACTIVITIES

During the last ten years (1994-2004), many of the goals contained in the Redevelopment Plan

have been accomplished. The Agency, in partnership with a shopping center developer, substantially rebuilt the aging shopping center located at the southeast corner of Bellflower Boulevard and Stearns Street. The new Los Altos Market Center contains 300,000 square feet of new and renovated retail space and was constructed at a cost of \$22,000,000. Construction of the shopping center began in January 1995 and was completed in November 1997.

The Los Altos Market Center has been very successful, and as part of the development of the center, public art and landscaping were installed in the Stearns Street median. These investments have improved the economic vitality of the shopping center and stimulated private investment in the remaining portions of the project area, which consists mainly of the older, but still vital, retail shopping center north of Stearns Avenue and smaller commercial developments.

IMPLEMENTATION GOALS AND OBJECTIVES

During the five-year period (2005-2009) of this Implementation Plan, the Redevelopment Agency will concentrate its efforts on the following goals:

Goal Number 1

"The elimination of blighting influences and the correction of environmental deficiencies in the Project Area, including, among others, small and irregular lots, faulty exterior spacing, obsolete and aged building types, mixed character or shifting uses or vacancies, incompatible and uneconomic land uses, substandard alleys and inadequate or deteriorated public improvements, facilities and utilities."

Goal Number 2

"The replanting, redesign and development of undeveloped areas which are stagnant or improperly utilized."

Goal Number 3

"The provision of opportunities for participation by owners and tenants in the revitalization of their properties."

Goal Number 4

"The strengthening of retail and other commercial functions in the Project Area."

Goal Number 5

"The expansion and improvement of the community's supply of housing, particularly housing available to low and moderate-income persons and families."

The linkage of each of the goals listed above with conditions of blight in the Project Area is demonstrated in the matrix labeled Attachment 2.

PROPOSED AGENCY PROGRAMS AND POTENTIAL PROJECTS

The following narratives describe the proposed programs and potential projects to be undertaken in the Los Altos Redevelopment Project Area during the five years covered in the Implementation Plan. A summary of the linkage of these programs and potential projects with conditions of blight within the Project Area is included in the matrix attached and labeled Attachment 3. Estimated expenditures are shown in Attachment 4.

The Redevelopment Agency used investment funds from the West Long Beach Industrial Project Area to assist the rehabilitation of the Los Altos Market Center. Most of the Project Area revenues over the five-year term of this plan will be used for repayment that obligation. However, funds will still be available for the programs described below:

1. Public Improvements Program

During the prior ten years, the Redevelopment Agency was responsible for the installation of public art and landscaping of street medians. These improvements have required continuing maintenance and repairs. Additional repairs will likely be necessary during the term of this Implementation Plan. In addition, the Agency will consider additional public improvements needed to address physical deterioration and deficiencies in the public infrastructure of the Project Area.

The Public Improvements Program is designed to implement projects that will improve and maintain the Project Area's infrastructure. Proposed projects include street improvement, public art and streetscape projects.

Blighting Conditions Addressed:

This program will correct deficiencies in the Project Area, and in so doing, encourage enhancement and maintenance of the private sector investment.

2. Commercial Rehabilitation Program

The reconstruction of the Los Altos Market Center significantly improved the most blighted portion of the Project Area. However, there are still a large number of aging, but still active, commercial structures in the redevelopment project area. Over time, these structures may affect the viability of the entire shopping district that constitutes the Project Area. The Redevelopment Agency will actively monitor the Project Area and encourage the modernization of the area's older retail facilities.

The purpose of the Commercial Rehabilitation Program is to encourage restoration, modernization and improvement of commercial structures.

Blighting Conditions Addressed:

This program will address the elimination of blighting conditions resulting from defective design, substandard design, deterioration and dilapidation of commercial structures.

3. Affordable Housing Program

The existing program to improve, preserve and increase the supply of affordable housing will continue. Since there is no housing located within the Project Area, the Project Area's 20% Housing Set-Aside will be used outside the Area. Please refer to Attachment 5 entitled "Low and Moderate Income Housing Fund Expenditure Plan" for a detailed program description.

Blighting Conditions Addressed:

This program will address the Citywide need for affordable housing, and as such is not tied to elimination of a specific blighting condition in the Project Area.

It is not anticipated that any of the potential projects in Part V of this Implementation Plan will result in the destruction or removal of dwelling units that will have to be replaced pursuant to Health and Safety Code Section 33413(a).

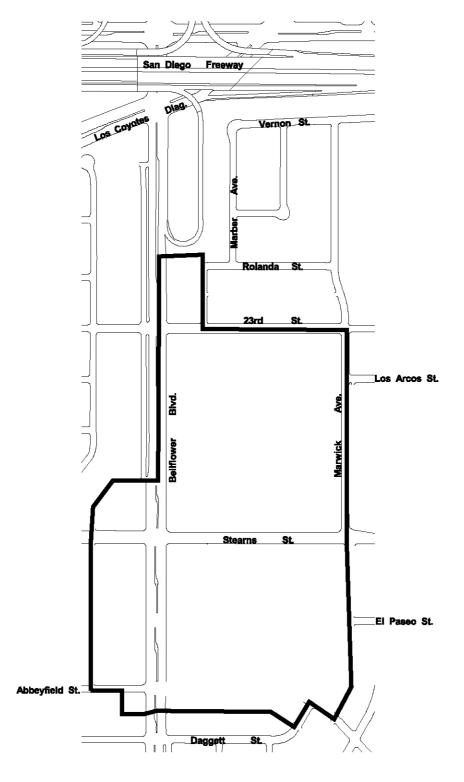
INCLUSIONARY HOUSING COMPLIANCE PLAN REQUIREMENT

An Inclusionary Housing Compliance Plan (the "Housing Compliance Plan") has been prepared pursuant to Section 33413(b)(4) of the California Health and Safety Code. Section 33413(b)(4) requires all redevelopment agencies to adopt a Housing Compliance Plan to meet the inclusionary housing requirements of Sections 33413(b), and that the Housing Compliance Plan be part of the Five Year Implementation Plan required by Section 33490. The Housing Compliance Plan prepared pursuant to Section 33413 (b) (4) is attached hereto as Attachment No. 5.

AFFORDABLE HOUSING PROGRAM EXPENDITURE PLAN REQUIREMENT

Section 33490(a)(2)(A) of the California Health and Safety Code requires that part of the 5-year Implementation Plan address Sections 33334.2, 33334.4 and 33334.6, and the Agency=s Low and Moderate Income Housing Fund. Generally, the Agency transfers all of the 20% set-aside funds from each redevelopment project area into the City's Housing Development Fund. This money is used by the nonprofit Long Beach Housing Development Company to assist in the production of affordable housing as required by California Health and Safety Code. The Affordable Housing Program is administered by the Long Beach Housing Development Company. An Affordable Housing Program Expenditure Plan prepared pursuant to Section 33490 (a) (2) (A) is attached hereto as Attachment No.6.

LOS ALTOS REDEVELOPMENT PROJECT AREA MAP





Date of Adoption: 12-10-91

Size: 45 Acres

Project Area Boundary

Los Altos Redevelopment Project Area Implementation Plan

Goals and Objectives Linkage to Blight

Blighting Condition	Goal 1	Goal 2	Goal 3	Goal 4	Goal 5
Deteriorated Infrastructure	\checkmark			✓	N/A
Deteriorated Building Stock	✓	✓	✓	✓	N/A
3. Trash, Debris and Graffiti	✓		✓	✓	N/A
4. Overly Diverse Property Ownership	✓	✓		✓	N/A
5. Irregular Lots & Faulty Spacing	✓	✓		✓	N/A
6. Obsolete & Aged Building Types	✓	✓		✓	N/A
7. Incompatible Character Uses	✓	✓	✓	✓	N/A
8. Low Retail Sales	✓	✓	✓	✓	N/A

Los Altos Redevelopment Project Area Implementation Plan

Proposed Programs Linkage to Blight

Blighting Condition	Public Improvements Program	Commercial Rehabilitation Program	Affordable Housing Program
Deteriorated Infrastructure	✓		N/A
2. Deteriorated Building Stock		✓	N/A
3. Trash, Debris and Graffiti	✓		N/A
Overly Diverse Property Ownership		√	N/A
5. Irregular Lots & Faulty Spacing		√	N/A
6. Obsolete & Aged Building Types		√	N/A
7. Incompatible Character Uses		√	N/A
8. Low Retail Sales	✓	✓	N/A

Los Altos Redevelopment Project Area Implementation Plan

Estimated Program Expenditures

Funding Year	Public	Commercial	Affordable
	Improvements	Rehabilitation	Housing
	Program	Program	Program
1. October 1, 2004 – September 30, 2005	\$10,000	\$25,000	\$90,000
2. October 1, 2005 – September 30, 2006	\$10,000	\$25,000	\$93,000
3. October 1, 2006 – September 30, 2007	\$10,000	\$25,000	\$96,000
4. October 1, 2007 – September 30, 2008	\$10,000	\$25,000	\$100,000
5. October 1, 2008 – September 30, 2009	\$10,000	\$25,000	\$103,000
6. October 1, 2009 – September 30, 2010	\$10,000	\$25,000	\$107,000

Los Altos Redevelopment Project Area Implementation Plan

Inclusionary Housing Compliance Plan

Los Altos Redevelopment Project Area Implementation Plan

Affordable Housing Program Expenditure Plan